

Message Text

LIMITED OFFICIAL USE

PAGE 01 ZURICH 00355 170759Z

12

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOTE-00 INR-07 NSAE-00 FAA-00 MC-02 PM-03 NSC-05

SP-02 SS-15 /056 W

----- 065577

R 161700Z JUN 75

FM AMCONSUL ZURICH

TO SECSTATE WASHDC 2087

INFO AMEMBASSY BERN UNN

LIMITED OFFICIAL USE ZURICH 0355

E.O. 11652: N/A

TAGS: EAIR, MASS

SUBJ: SWISSAIR PRESIDENT'S COMMENTS ON AVIATION MATTERS

I MET WITH SWISSAIR PRESIDENT, ARMIN BALTENSWEILER,
ON JUNE 12. HE COMMENTED AT LENGTH ON VARIOUS
AVIATION MATTERS. THE FOLLOWING ARE SOME OF HIS
MAIN POINTS:
PAN AM

BALTENSWEILER IS OBVIOUSLY EXTREMELY ANNOYED WITH
THE RECENT ACTION BY PAN AM TO INTRODUCE THE INCENTIVE
COMMISSIONS PROGRAM. HE INDICATED THAT AS A FELLOW
"FREE ENTERPRISE AIRLINE" SWISSAIR HAD PREVIOUSLY
FOUND PAN AM TO BE A GOOD PARTNER WITHIN IATA AND
COOPERATIVE IN RESISTING FRIVOLOUS PROPOSALS BY
GOVERNMENT OWNED AIRLINES WHO DID NOT HAVE TO BE
SO CONCERNED OVER COSTS AND PROFITS.
HOWEVER, RECENTLY PAN AM HAS ACTED IRRESPONSIBLY.
ITS NEW COMMISSION PROGRAM HAS THROWN THE ENTIRE
AIRLINE INDUSTRY INTO CHAOS.

BALTENSWEILER INDICATED THAT HAD ANY SMALLER AIRLINE
TAKEN A SIMILAR ACTION, THE OTHER MEMBERS OF IATA
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ZURICH 00355 170759Z

WOULD HAVE THROWN IT OUT OF THE ORGANIZATION. AS IT

IS, SOME IATA MEMBERS WANT TO LEAVE THE DOOR OPEN
SHOULD PAN AM BE INDUCED TO LEAVE ON ITS OWN ACCORD.

SWISSAIR/TWA ARRANGEMENTS

ALTHOUGH SWISSAIR DID NOT PARTICULARLY APPRECIATE
HAVING BEEN FORCED INTO NEGOTIATING A CAPACITY
AGREEMENT WITH TWA, BALTENSWEILER DOES NOT FEEL
THAT THE AGREEMENT HAS HURT SWISSAIR. HE COMMENTED
THAT TWA HAS NOT PICKED UP VERY MANY PASSENGERS
UNDER THE NEW ARRANGEMENT AND THAT IT IS GOING TO
TAKE A CONSIDERABLE EFFORT ON TWA'S PART TO INCREASE
SUBSTANTIALLY ITS SHARE OF THE SWITZERLAND/NORTH AMERICA
MARKET.

BALTENSWEILER ADDED THAT HE BELIEVES IT IS IN SWISSAIR'S
INTEREST THAT TWA STRENGTHEN ITS POSITION. IN GENERAL,
SWISSAIR HAS GOOD RELATIONS WITH TWA AND APPRECIATES
THE FACT THAT EVEN THOUGH IT IS FACED WITH SOME OF THE
SAME FINANCIAL PROBLEMS AS PAN AM, TWA IS ATTEMPTING
TO DEAL WITH THEM RESPONSIBLY. BALTENSWEILER SAID THAT
TALKS WITH TWA ON PROPOSED WINTER SCHEDULES WILL TAKE
PLACE IN JULY.

SWISSAIR CURRENT OUTLOOK

SWISSAIR HAD A VERY SUCCESSFUL YEAR IN 1974 BUT IT IS
CLEAR THAT 1975 WILL NOT BE NEARLY SO FAVORABLE BECAUSE
OF FACTORS SUCH AS OVER CAPACITY ON THE NORTH ATLANTIC;
THE RECESSION BOTH IN AMERICA AND EUROPE; THE OVER-VALUED
SWISS FRANC AND RAPIDLY RISING COSTS. BUSINESS IS ALSO DOWN
SLIGHTLY WITHIN EUROPE.

SWISSAIR IS SATISFIED WITH THE DEVELOPMENT OF THE ZURICH-
PEKING ROUTE WHICH WAS OPENED IN APRIL AND EXPECTS A
GRADUAL EXPANSION IN PASSENGER TRAFFIC ON THE ROUTE.
BECAUSE OF FAVORABLE DEVELOPMENTS IN SWITZERLAND/CHINA
TRADE, CARGO BUSINESS ON THE PEKING ROUTE HAS EXCEEDED
EXPECTATIONS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ZURICH 00355 170759Z

SWISS AIR FORCE FIGHTER PROCUREMENT

BALTENSWEILER COMMENTED THAT THE REVELATION OF POSSIBLE
IMPROPRIETIES BY NORTHROP OFFICIALS IN CONNECTION WITH
EFFORTS TO SELL FIGHTER AIRCRAFT TO FOREIGN GOVERNMENTS,
COULD NOT HAVE COME AT A WORSE TIME WITH RELATION TO CURRENT
NEGOTIATIONS FOR THE PURCHASE BY THE SWISS AIR FORCE OF
THE NORTHROP F5-A. BALTENSWEILER, WHO SERVED ON THE

SELECTION COMMITTEE, SAID THERE IS NO DOUBT THAT THE F5-A IS THE BEST PLANE AVAILABLE FOR SWISS REQUIREMENTS. HOWEVER, THE BAD PUBLICITY, EVEN ASSUMING THAT THERE IS NO DIRECT APPLICATION TO THE SWISS PROCUREMENT, MAY WELL MAKE THE GOVERNMENT OFFICIALS AND POLITICIANS WHO MUST ULTIMATELY SIGN THE CONTRACT NERVOUS. THIS COULD DELAY FINAL COMMITMENT.

COMMERCIAL AIRCRAFT PROCUREMENT

SWISSAIR WILL TAKE DELIVERY OF THREE MORE DC-9'S THIS YEAR. THE COMPANY HAS NOT YET DECIDED WHETHER OR NOT TO EXERCISE ITS OPTION TO PURCHASE ONE MORE DC-10. SWISSAIR NEGOTIATED FOR SIX MONTHS WITH THE EUROPEAN CONSORTIUM CONCERNING THE POSSIBLE PURCHASE OF THE A-300. AIR BUS, BUT RECENTLY POSTPONED A DECISION ON THE A-300 FOR AT LEAST ONE YEAR.

BALTENSWEILER COMMENTED THAT THE A-300 SEEMS TO BE A VERY GOOD AIRCRAFT WHICH WOULD FIT NICELY INTO THE SWISSAIR FLEET BECAUSE IT UTILIZES THE SAME ENGINES AS THE DC-10. HOWEVER, HE BELIEVES IT IS TOO LARGE FOR CURRENT REQUIREMENTS.

SWISSAIR THUS WILL NOT DECIDE WHETHER OR NOT TO PURCHASE A-300'S UNTIL IT IS BETTER ABLE TO JUDGE WHETHER TRAFFIC DEMAND WILL REQUIRE IT. THE EARLIEST THAT THE A-300 COULD BE INTRODUCED BY SWISSAIR WOULD BE 1979 OR 1980.

NELSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AEROSPACE INDUSTRY, CIVIL AVIATION, SPEECHES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ZURICH00355
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750210-0502
From: ZURICH
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750645/aaaaboqq.tel
Line Count: 144
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUN 2003 by BoyleJA>; APPROVED <04 NOV 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SWISSAIR PRESIDENT'S COMMENTS ON AVIATION MATTERS I MET WITH SWISSAIR PRESIDENT, ARMIN BALTENSWEILER
TAGS: EAIR, MASS, SWISSAIR, (BALTENSWEILER, ARMIN)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006